

V. J. BENINATI, JR.
CLERK DISTRICT COURT

FILED

10:46
MAY 31 1988

GALVESTON COUNTY, TEXAS

BY W. J. Beninati, Jr. Deputy

CAUSE NO. 116,360

MITCHELL ENERGY CORPORATION,	§	IN THE DISTRICT COURT OF
MITCHELL ENERGY OFFSHORE	§	
CORPORATION, AND FLORIDA GAS	§	
EXPLORATION COMPANY,	§	
	§	
Plaintiffs,	§	
	§	
vs.	§	GALVESTON COUNTY, TEXAS
	§	
ROBERT GEORGE BISBEY,	§	
TRUSTEE, VIRGINIA B. BALL,	§	
MACO STEWART, III, AND WELLS	§	
STEWART, CLAY M. HUNT,	§	
WILLIAM C. RICHARDSON, ROBERT	§	
L. RUEHMAN, TRUSTEE, AND S. D.	§	
WINDHAM, INC., THE COMMIS-	§	
SIONER OF THE GENERAL LAND	§	
OFFICE, THE SCHOOL LAND	§	
BOARD, AND THE STATE OF TEXAS,	§	
	§	
Defendants.	§	10th JUDICIAL DISTRICT

AGREED FINAL JUDGMENT

ON THIS DAY came on to be heard the motion of Robert George Bisbey, Trustee, Virginia B. Ball, Maco Stewart, III, Wells Stewart, and Clay M. Hunt, individually and as owner of the unrecorded interest of William C. Richardson and S. D. Windham, Inc., and Robert L. Ruehman, Trustee, defendants in the above-entitled and numbered cause, for final judgment and dismissal of this action with prejudice. The Court finds that all matters in dispute between the parties have been fully and finally compromised and settled. The Court further finds that this judgment is necessary to declare and establish the rights and duties of the parties, and disburse

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GALVESTON COUNTY, TEXAS

CAUSE NO. 116,360

IN THE DISTRICT COURT OF
MICHIELL ENERGY CORPORATION,
MICHIELL ENERGY OFFSHORE
CORPORATION, AND FLORIDA GAS
EXPLORATION COMPANY,
Plaintiffs,
vs.
ROBERT GEORGE BISBEY,
TRUSTEE, VIRGINIA B. BALL,
MAGO STEWART, III, AND
STEWART, CLAY M. HUNT,
WILLIAM C. RICHARDSON, III,
L. WINDHAM, INC.,
WINDHAM, INC.,
STEWART, CLAY M. HUNT,
OFFICE OF THE
BOARD, AND

GALVESTON COUNTY, TEXAS

File No. Sketch File No. 61
Galveston County
Cause 116,360, Agreed Final Judgment
Filed May 31 19 88
By GARRY MAURO, Com'r
Douglas Howard

ON THIS DAY came on to be heard the motion of Robert
George Bisbey, Trustee, Virginia B. Ball, Mago Stewart, III,
Wells Stewart, and Clay M. Hunt, individually and as owner
of the unrecorded interest of William C. Richardson and S.
D. Windham, Inc., and Robert L. Ruchman, Trustee, defendants
in the above-entitled and numbered cause, for final judgment
and dismissal of this action with prejudice. The Court
finds that all matters in dispute between the parties have
been fully and finally compromised and settled. The Court
further finds that this judgment is necessary to declare and
establish the rights and duties of the parties, and dispense

the production royalties that have been deposited in the escrow account No. 05790 at the U.S. National Bank of Galveston, Texas.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED, that this judgment does not intend to include any of the original uplands as shown by the 1837 R.C. Trimble and Wm. Lindsey Survey and Plat of the Jones and Hall Survey that have, by dredging or other man-made means, become inundated or otherwise submerged by the waters of Offatt's Bayou. It is further

ORDERED that except for any original uplands described above, the State of Texas, the Commissioner of the General Land Office and the School Land Board on behalf of the Public Free School Fund of the State of Texas, recover of and from all other defendants the right, title, and interest to sole ownership and possession of all of the submerged lands originally in what is known as Offatt's Bayou, formerly Oyster Bayou, in Galveston County, Texas, as shown on the above-referenced Trimble and Lindsey Plat, specifically including all submerged lands known as Tract 105-A, West Bay, in Offatt's Bayou, in Galveston County, Texas, as shown on the official map of West Bay now on file in the General Land Office of Texas, in Austin, Texas; and including all submerged lands consisting of a two hundred (200) acre, more or less, tract of land within the original confines of Offatt's Bayou more fully described in the

attached Exhibit "A;" and a one hundred twenty (120) acre, more or less, tract of land within the original confines of Offatt's Bayou more fully described in the attached Exhibit "B." The Court Clerk may issue a writ of possession to the State of Texas upon request. It is further

ORDERED that the State of Texas Oil and Gas Lease No. 68062, dated March 6, 1973, between the State of Texas as lessor, and Mitchell Energy Offshore Corporation, as lessee, covering the submerged lands known as Tract 105-A, West Bay, Galveston County, containing 838 acres of land more or less, as shown on the official map of West Bay now on file in the General Land Office, and filed of record in the Galveston County Clerk's office in the Oil, Gas and Mineral Lease Book No. 2313, at pages 539-543, is the only valid and enforceable oil and gas lease for all submerged lands in Offatt's Bayou and within Galveston Townsite Unit No. 16, in Galveston County, Texas, as of the date of the signing of this final judgment. It is further

ORDERED that all production royalties and any other monies payable to the lawful owner of the submerged lands in Offatt's Bayou, in Galveston County, Texas, and within Galveston Townsite Unit No. 16, shall hereinafter be paid to the State of Texas at the royalty of 1/6 of 434/704 acres, in accordance with the Galveston Townsite Unit No. 16 Voluntary Unitization Agreement, dated August 17, 1976, on file in the records of the Galveston County Clerk in the

Oil, Gas and Mineral Lease Book 2725, page 475, and the Ratification of Galveston Townsite Unit No. 16 by the Commissioner of the General Land Office of the State of Texas, on file in the records of the Galveston County Clerk in the Oil, Gas and Mineral Lease Book 2849 at pages 751-758. It is further

ORDERED that the State of Texas has no right, title, or interest in the production royalties or any other benefits that have accrued, prior to the date of the signing of this final judgment, under the above lease between the State of Texas and Mitchell Energy Offshore Corporation, and under the above Unitization Agreement and under the above Ratification by the Commissioner of the General Land Office, and that the State of Texas shall take nothing from the funds in the escrow account No. 05790 on deposit at the U.S. National Bank of Galveston, Texas. It is further

ORDERED that defendants Robert George Bisbey, Trustee, Virginia B. Ball, Maco Stewart III, Wells Stewart, Clay M. Hunt, William C. Richardson, Robert L. Ruehman, Trustee, and S. D. Windham, Inc. have no right, title, or interest in the submerged lands in Offatt's Bayou, in Galveston County, Texas, as shown by the Trimble and Lindsey Survey and Plat, and furthermore have no right, title, or interest in the 200 acre, more or less, tract of land more fully described on the attached Exhibit A or the 120 acre, more or less, tract of land more fully described on the attached Exhibit B, the

same consisting of submerged lands in Offatt's Bayou in Galveston County, Texas. It is further

ORDERED that defendants Robert George Bisbey, Trustee, Virginia B. Ball, Maco Stewart, III, Wells Stewart, Clay M. Hunt, William C. Richardson, Robert L. Ruehman, and S. D. Windham, Inc. have no right, title, or interest in the leases that these defendants or their assignors entered into with plaintiff Mitchell Energy Corporation, or its assignors, which leases are more fully described as follows:

1. That certain oil, gas and mineral lease, dated March 27, 1973, between Wells Stewart, as lessor, and Mitchell & Mitchell Properties, Inc., as lessee, covering his undivided three over sixty-fourths (3/64) interest in a certain 200 hundred acre, more or less, tract located in Offatt's Bayou, Galveston County, Texas, and retaining a one-fifth (1/5) royalty interest, on file in the records of the Galveston County Clerk in the Oil, Gas and Mineral Lease Book 2355 at pages 339-340.

2. That certain oil, gas and mineral lease, dated September 27, 1973, between the estate of Louise Bisbey Stewart, deceased, covering, among other things, its undivided thirteen over sixty-fourths (13/64) interest in that same 200 acre tract, more or less, and retaining a one-fourth (1/4) royalty interest, and whose successors in interest as lessors are defendants Robert George Bisbey, Trustee, Virginia B. Ball, and Maco Stewart, III, on file in the records of the Galveston County Clerk in the Oil, Gas and Mineral Lease Book 2369 at pages 131-134.

3. That certain oil, gas and mineral lease, dated May 5, 1976, between the Standard Dredging Corporation, as lessor, and Buttes Resources Company, as lessee, covering, among other things, its undivided three-fourths (3/4) interest in that same 200 acre tract, more or less, in Offatt's Bayou, in Galveston County, Texas, and covering a 120 acre tract, more or less, in Offatt's Bayou, in Galveston County, Texas, and retaining a one-sixth (1/6) royalty interest, and whose assignees as lessors are defendant Clay M. Hunt,

individually and as legal owner of an unrecorded interest on behalf of defendants William C. Richardson and S. D. Windham, Inc., and defendant Robert L. Ruehman, Trustee, and which is on file in the records of the Galveston County Clerk in the Oil, Gas and Mineral Lease Book 2681 at pages 441-449.

It is further

ORDERED that defendants Robert George Bisbey, Trustee, Virginia B. Ball, Maco Stewart, III, Wells Stewart, Clay M. Hunt, William C. Richardson, Robert L. Ruehman, Trustee, and S. D. Windham, Inc., have and recover from the escrow account No. 05790 on deposit at the U.S. National Bank of Galveston, Texas, the sum of eight-ninths (8/9) or 88.89% of all production royalties that have been paid into the account by plaintiff Mitchell Energy Corporation, and all interest that has accrued on that amount in the account. This sum shall be made payable by the U.S. National Bank of Galveston, Texas, less any applicable penalties, immediately upon receipt of a certified copy of this final judgment, to Ernest V. Rountree, as attorney and authorized agent on behalf of these defendants. It is further

ORDERED that plaintiff Mitchell Energy Corporation have and recover from the escrow account No. 05790 on deposit at the U.S. National Bank of Galveston, Texas, the remaining sum of one-ninth (1/9) or 11.11% of all production royalties that have been paid into the account by plaintiff Mitchell Energy Corporation, and all interest that has accrued on this amount in the account. This sum shall be made payable

by the U.S. National Bank of Galveston, Texas to Mitchell Energy Corporation immediately upon receipt of a certified copy of this final judgment. It is further

ORDERED that plaintiffs Mitchell Energy Corporation, Mitchell Energy Offshore Corporation and Florida Gas Exploration Company, be and they are hereby fully, finally, and completely relieved and discharged from any and all liability whatsoever to any of the defendants, by reason of the disputed claims of ownership over title to Offatt's Bayou, in Galveston County, Texas, and by reason of any other lease of any defendant covering submerged land in Offatt's Bayou, in Galveston County, Texas, other than the lease or leases of the State of Texas who has all right, title, and interest in the submerged lands of Offatt's Bayou, in Galveston County, Texas as shown by the Trimble and Lindsey Survey and Plat, including all submerged lands identified as Tract 105-A or identified in the attached Exhibits A and B. It is further

ORDERED that defendants Robert George Bisbey, Trustee, Virginia B. Ball, Maco Stewart, III, Wells Stewart, Clay M. Hunt, William C. Richardson, Robert L. Reuhman, Trustee, and S. D. Windham, Inc., be and they are hereby restrained and enjoined from making any further claims, or from instituting or prosecuting any action whatsoever against plaintiffs Mitchell Energy Corporation, Mitchell Energy Offshore Corporation, and Florida Gas Exploration Company, for or on

account of the above-described leases; or production royalties relating to these leases; or title, ownership, or possession of any of the submerged lands in Offatt's Bayou, in Galveston County, Texas. It is further

ORDERED that the above-entitled and numbered cause be and the same is dismissed with prejudice to the right of all parties to refile same or any part thereof. All costs of court are taxed against the party incurring same, for the collection of which execution may issue.

All relief not expressly granted herein is hereby denied.

SIGNED this 31st day of May, 1988.

J. G. Spivey
JUDGE PRESIDING

APPROVED:

Ernest V. Rountree
ERNEST V. ROUNTREE
State Bar No. 1732000
P. O. Box 131600
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ATTORNEY FOR DEFENDANTS ROBERT
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B. BALL, MACO STEWART, III,
WELLS STEWART AND CLAY M. HUNT
ROBERT L. ROSEHMAN, TRUSTEE

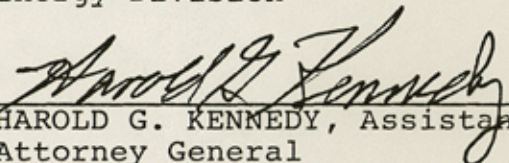
APPROVED:

JIM MATTOX, Attorney General
of Texas

MARY F. KELLER, First
Assistant Attorney General
for Litigation

LOU McCREARY, Executive
Assistant Attorney General

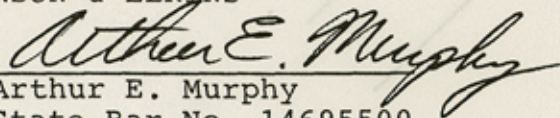
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ATTORNEYS FOR THE STATE OF TEXAS,
THE COMMISSIONER OF THE GENERAL
LAND OFFICE AND THE SCHOOL LAND BOARD

APPROVED:

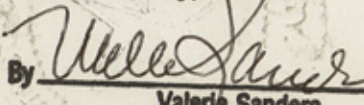
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By 
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713/651-2778

ATTORNEYS FOR PLAINTIFFS
MITCHELL ENERGY CORPORATION,
MITCHELL ENERGY OFFSHORE
CORPORATION, AND FLORIDA
GAS EXPLORATION COMPANY

A TRUE COPY I CERTIFY UNDER MY HAND
AND SEAL OF OFFICE.

V. J. BENINATI, JR., Clerk District Court
Galveston County, Texas

By  Deputy
Valerie Sanders

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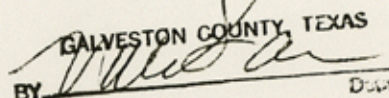
GALVESTON COUNTY, TEXAS
BY  Deputy

EXHIBIT A

TRACT ONE

200 acres of land more or less located on Galveston Island in the County of Galveston, State of Texas, being known as part of what is known as Offatt's Bayou formerly called Oyster Bayou, and described by metes and bounds as follows, to wit: Beginning at the S.W. corner of Lot No. 528 in Section No. 2 of the Jones and Hall Partition lying in Section No. 1 of the Trimble and Lindsey Survey of Galveston Island, and depicted on a map or plat of said Survey dated 1837, Thence Eastwardly along the water's edge of said Offatt's Bayou and with the South line of said Lot Nos. 528 and of Lot Nos. 527, 526, 524, 523, 520, 519, 516, 515, 512, and with the South line of Lot 535 a distance of two and five tenths chains to stake in said line; Thence S 23° E. about fifteen chains across said Offatt's Bayou to the Northern line of Lot No. 120; Thence Southwestwardly with the said North line of said Lot No. 120 about three chains to the N.W. corner of said Lot No. 120 and the N.E. corner of Lot No. 131; Thence Southwestwardly and Westwardly with the Northern line of Lot Nos. 131, 134, 145, 146, 158, 160, 173, 176, 189, 192, 205, 208, 222, 223, 238, 239, 254, 255, to the N.E. corner of Lot 270 about fifteen chains to a point in said line S 23° E from the S.W. corner of Lot No. 528; Thence North 23° West about fifteen chains across said Offatt's Bayou to the place of Beginning, the said named lots all being in both said Section No. 2 of the Jones and Hall partition and in said Section No. 1 of the Trimble and Lindsey Survey and depicted on the map or plat of said Survey.

EXHIBIT B

TRACT TWO

120 acres of land more or less located on Galveston Island in the County of Galveston, State of Texas, being known as part of what is known as Offatt's Bayou, and described by metes and bounds as follows, to wit: Beginning at a point in the center of the north boundary line of Lot No. one hundred and twenty (120) and on the margin of said Bayou in Section No. One (1) of the Trimble and Lindsey Survey of Galveston Island, and depicted on a map or plat of said Survey dated 1837; Thence running Eastwardly along the margin of said Bayou and with the north boundary lines of Lot Nos. 120, 119, 108, 107, 96, 95, 85, 80, 71, 64 and 55 to a point in the west boundary line, near the southwest corner of Lot No. 46 in said Survey; Thence running Northwardly and with the west boundary line of said Lot No. 46 to the center of said west line of said Lot No. 46; Thence in a Northwesterly direction along the margin of said Bayou with the southern boundary lines of Lot Nos. 54, 531 and 532 to the southwest corner of Lot No. 532 of said Survey; Thence running in a Westwardly direction along the margin of said Bayou and with the southern boundary lines of Lot Nos. 533, 534 and 535 opposite the point of beginning; Thence at right angles and running with straight line across said Bayou to the center of Lot No. 120 in said Section No. One (1) being the point of beginning.

A TRUE COPY I CERTIFY UNDER MY HAND
AND SEAL OF OFFICE:

V. J. BENINATI, JR., Clerk District Court
Galveston County, Texas

By Valerie Sanders Deputy

V. J. BENINATI, JR.
CLERK DISTRICT COURT

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BY Valerie Sanders Deputy